

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

HOMESTEAD PROPERTIES, L.P.;  
HOMESTEAD LIMITED, L.L.C.;  
CALIFORNIA WEALTH  
MANAGEMENT GROUP, d.b.a. IFC  
ADVISORY; HEATH M.  
BIDDLECOME; and WILLIAM C. TAK

Defendants,

HOMESTEAD NORTHLAND MHC,  
LLC and JACKSON MHC, L.L.C.

Relief Defendants.

Case No. SAV09-01331-CJC(MLGx)

**FINAL JUDGMENT  
AS TO WILLIAM C. TAK**

1 The Securities and Exchange Commission having filed a Complaint and  
2 Defendant William C. Tak (“Tak” or “Defendant”) having entered general  
3 appearances; consented to the Court’s jurisdiction over Defendant and the subject  
4 matter of this action; consented to the entry of this Final Judgment as to William C.  
5 Tak in the form attached hereto (the “Final Judgment”) without admitting or  
6 denying the allegations of the Complaint (except as to jurisdiction); waived  
7 findings of fact and conclusions of law; and waived any right to appeal from this  
8 Final Judgment:

9 **I.**

10 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant  
11 Tak and his agents, servants, employees, attorneys, and all persons in active  
12 concert or participation with them who receive actual notice of this Final Judgment  
13 by personal service or otherwise are permanently restrained and enjoined from  
14 violating Sections 5(a) and 5(c) of the Securities Act of 1933 (“Securities Act”), 15  
15 U.S.C. §§ 77e(a) and (c), by, directly or indirectly, in the absence of any applicable  
16 exemption:

- 17 (a) Unless a registration statement is in effect as to a security, making use  
18 of any means or instruments of transportation or communication in  
19 interstate commerce or of the mails to sell such security through the  
20 use or medium of any prospectus or otherwise;
- 21 (b) Unless a registration statement is in effect as to a security, carrying or  
22 causing to be carried through the mails or in interstate commerce, by  
23 any means or instruments of transportation, any such security for the  
24 purpose of sale or for delivery after sale; or
- 25 (c) Making use of any means or instruments of transportation or  
26 communication in interstate commerce or of the mails to offer to sell  
27 or offer to buy through the use or medium of any prospectus or  
28 otherwise any security, unless a registration statement has been filed

1 with the Commission as to such security, or while the registration  
 2 statement is the subject of a refusal order or stop order or (prior to the  
 3 effective date of the registration statement) any public proceeding or  
 4 examination under Section 8 of the Securities Act, 15 U.S.C. § 77h.

## 5 **II.**

6 **IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED**  
 7 that Defendant Tak and his agents, servants, employees, attorneys, and all persons  
 8 in active concert or participation with them who receive actual notice of this Final  
 9 Judgment by personal service or otherwise are permanently restrained and enjoined  
 10 from violating Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), in the offer  
 11 or sale of any security by the use of any means or instruments of transportation or  
 12 communication in interstate commerce or by use of the mails, directly or  
 13 indirectly:

- 14 (a) to employ any device, scheme, or artifice to defraud;
- 15 (b) to obtain money or property by means of any untrue statement of a  
 16 material fact or any omission of a material fact necessary in order to  
 17 make the statements made, in light of the circumstances under which  
 18 they were made, not misleading; or
- 19 (c) to engage in any transaction, practice, or course of business which  
 20 operates or would operate as a fraud or deceit upon the purchaser.

## 21 **III.**

22 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Defendant  
 23 Tak and his agents, servants, employees, attorneys, and all persons in active  
 24 concert or participation with them who receive actual notice of this Final Judgment  
 25 by personal service or otherwise are permanently restrained and enjoined from  
 26 violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of  
 27 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated  
 28 thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of

1 interstate commerce, or of the mails, or of any facility of any national securities  
2 exchange, in connection with the purchase or sale of any security:

3 (a) to employ any device, scheme, or artifice to defraud;

4 (b) to make any untrue statement of a material fact or to omit to state a  
5 material fact necessary in order to make the statements made, in the  
6 light of the circumstances under which they were made, not  
7 misleading; or

8 (c) to engage in any act, practice, or course of business which operates or  
9 would operate as a fraud or deceit upon any person.

#### 10 **IV.**

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that  
12 Defendant Tak and his agents, servants, employees, attorneys, and all persons in  
13 active concert or participation with them who receive actual notice of this Final  
14 Judgment by personal service or otherwise are permanently restrained and enjoined  
15 from violating, directly or indirectly, Section 15(a) of the Exchange Act, 15 U.S.C.  
16 § 78o(a), which makes it unlawful for any broker or dealer which is either a person  
17 other than a natural person or a natural person, to make use of the mails or any  
18 means or instrumentality of interstate commerce to effect any transactions in, or to  
19 induce or attempt to induce the purchase or sale of, any security (other than an  
20 exempted security or commercial paper, bankers' acceptances, or commercial bills)  
21 unless such broker or dealer is registered in accordance with Section 15(b) of the  
22 Exchange Act, 15 U.S.C. § 78o(b).

#### 23 **V.**

24 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that  
25 Defendant Tak shall be liable for disgorgement of \$385,000.00, representing  
26 proceeds gained as a result of the conduct alleged in the Complaint, together with  
27 prejudgment interest thereon in the amount of \$27,779.80, totaling \$412,779.80.  
28 Defendant shall satisfy this obligation by paying \$412,779.80 within 14 days after

1 entry of this Final Judgment by certified check, bank cashier's check, or United  
2 States postal money order payable to the Robb Evans & Associates LLC, Receiver,  
3 11450 Sheldon Street, Sun Valley, CA 91352-1121. The payment shall be  
4 delivered or mailed to the Receiver, and shall be accompanied by a letter  
5 identifying the payer's name as a defendant in this action; setting forth the title and  
6 civil action number of this action and the name of this Court; and specifying that  
7 payment is made pursuant to this Final Judgment. Defendant shall simultaneously  
8 transmit photocopies of such payment and letter to the Commission's counsel in  
9 this action. By making this payment, Defendant relinquishes all legal and  
10 equitable right, title, and interest in such funds, and no part of the funds shall be  
11 returned to Defendant. These funds, together with any interest and income earned  
12 thereon (collectively, the "Fund"), shall be held in the interest bearing account  
13 until further order of the Court. The Commission may propose a plan to distribute  
14 the Fund subject to the Court's approval. Defendant shall pay post-judgment  
15 interest on any delinquent amounts pursuant to 28 USC § 1961.

## 16 VI.

17 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that  
18 Defendant Tak is liable for a civil penalty in the amount of \$65,000.00 pursuant to  
19 Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d); and Section 21(d)(3) of the  
20 Exchange Act, 15 U.S.C. § 78u(d)(3). Defendant Tak shall satisfy this obligation  
21 by paying \$65,000.00 within 14 days after entry of this Final Judgment by certified  
22 check, bank cashier's check, or United States postal money order payable to the  
23 Robb Evans & Associates LLC, Receiver, 11450 Sheldon Street, Sun Valley, CA  
24 91352-1121. The payment shall be delivered or mailed to the Receiver, and shall  
25 be accompanied by a letter identifying the payer's name as a defendant in this  
26 action; setting forth the title and civil action number of this action and the name of  
27 this Court; and specifying that payment is made pursuant to this Final Judgment.  
28 Defendant shall simultaneously transmit photocopies of such payment and letter to

1 the Commission's counsel in this action. By making this payment, Defendant  
2 relinquishes all legal and equitable right, title, and interest in such funds, and no  
3 part of the funds shall be returned to Defendant.

4 These funds, together with any interest and income earned thereon  
5 (collectively, the "Fund") shall be held by the Receiver. The Commission may by  
6 motion propose a plan to distribute the Fund subject to the Court's approval. Such  
7 a plan may provide that the Fund shall be distributed pursuant to the Fair Fund  
8 provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of  
9 whether any such Fair Fund distribution is made, amounts ordered to be paid as  
10 civil penalties pursuant to this Final Judgment shall be treated as penalties paid to  
11 the government for all purposes, including all tax purposes. To preserve the  
12 deterrent effect of the civil penalty, Defendant Tak shall not, after offset or  
13 reduction of any award of compensatory damages in any Related Investor Action  
14 based on Defendant Tak's payment of disgorgement in this action, argue that he is  
15 entitled to, nor shall he further benefit by, offset or reduction of such compensatory  
16 damages award by the amount of any part of Defendant Tak's payment of a civil  
17 penalty in this action ("Penalty Offset"). If the court in any Related Investor  
18 Action grants such a Penalty Offset, Defendant Tak shall, within 30 days after  
19 entry of a final order granting the Penalty Offset, notify the Commission's counsel  
20 in this action and pay the amount of the Penalty Offset to the United States  
21 Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not  
22 be deemed an additional civil penalty and shall not be deemed to change the  
23 amount of the civil penalty imposed in this Final Judgment. For purposes of this  
24 paragraph, a "Related Investor Action" means a private damages action brought  
25 against Defendants by or on behalf of one or more investors based on substantially  
26 the same facts as alleged in the Complaint in this action.

## 27 **XII.**

28 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this

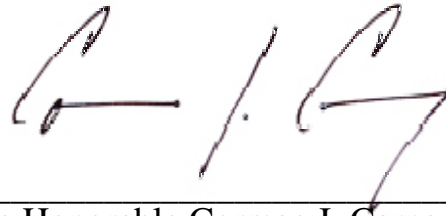
1 Court shall retain jurisdiction of this matter for the purposes of enforcing the terms  
2 of this Final Judgment and all orders and decrees which have been entered or may  
3 be entered herein, and to grant such other relief as the Court may deem necessary  
4 and just.

5 **XIII.**

6 There being no just reason for delay, pursuant to Rule 54(b) of the Federal  
7 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment  
8 forthwith and without further notice.

9 **IT IS SO ORDERED.**

10 DATED: January 5, 2012

A handwritten signature in dark ink, appearing to read 'C. J. Carney', is written above a horizontal line.

13 The Honorable Cormac J. Carney  
14 UNITED STATES DISTRICT JUDGE

15 Presented by:

16  
17 /s/ Ronnie B. Lasky  
18 Donald W. Searles, Esq.  
19 Ronnie B. Lasky, Esq.  
Attorneys for Plaintiff  
Securities and Exchange Commission